

Bill No. SB 1952

Amendment No. ____

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11	Senator Casas moved the following amendment:		
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13	Senate Amendment (with title amendment)		
14	Delete everything after the enacting clause		
15			
16	and insert:		
17	Section 1. Section 215.5601, Florida Statutes, is		
18	created to read:		
19	<u>215.5601 Lawton Chiles Endowment Fund for Health and</u>		
20	<u>Human Services.--</u>		
21	<u>(1) SHORT TITLE.--This section may be cited as the</u>		
22	<u>"Lawton Chiles Endowment Fund for Health and Human Services</u>		
23	<u>Act."</u>		
24	<u>(2) DEFINITIONS.--As used in this section:</u>		
25	<u>(a) "Board" means the State Board of Administration</u>		
26	<u>established by s. 16, Art. IX of the State Constitution of</u>		
27	<u>1885 and incorporated into s. 9(c), Art. XII of the State</u>		
28	<u>Constitution of 1968.</u>		
29	<u>(b) "Endowment" means the Lawton Chiles Endowment Fund</u>		
30	<u>for Health and Human Services.</u>		
31	<u>(c) "Earnings" means all income generated by</u>		

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1 investments and the net change in the market value of assets.

2 (d) "State agency" or "state agencies" means the
3 Department of Health, the Department of Children and Family
4 Services, the Department of Elderly Affairs, or the Agency for
5 Health Care Administration, or any combination thereof, as the
6 context indicates.

7 (3) LEGISLATIVE INTENT.--It is the intent of the
8 Legislature to:

9 (a) Provide a perpetual source of funding for the
10 future of health and human services initiatives.

11 (b) Ensure that enhancement revenues will be available
12 to finance these important initiatives.

13 (c) Use tobacco settlement moneys to ensure the
14 financial security of vital health and human services
15 programs.

16 (d) Encourage the development of community-based
17 solutions to strengthen and improve the quality of life of
18 Florida's most vulnerable citizens.

19 (4) LAWTON CHILES ENDOWMENT FUND FOR CHILDREN AND
20 ELDERS; CREATION; PURPOSES AND USES.--

21 (a) There is created the Lawton Chiles Endowment Fund
22 for Health and Human Services, to be administered by the State
23 Board of Administration. The endowment shall serve as a
24 clearing trust fund not subject to termination pursuant to s.
25 19(f), Art. III of the State Constitution and shall be funded
26 by settlement moneys received from the tobacco industry. The
27 endowment fund shall be exempt from the service charges
28 imposed by s. 215.20.

29 (b) Funds from the endowment shall be distributed by
30 the board to trust funds of the state agencies in the amounts
31 indicated by reference to the legislative appropriations for

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1 the state agencies.

2 (c) The state agencies shall use the funds from the
3 endowment to enhance or support increases in clients served or
4 in program costs in health and human services program areas.

5 (d) The Secretary of Health, the Secretary of Children
6 and Family Services, the Secretary of Elderly Affairs, and the
7 Director of Health Care Administration shall conduct meetings
8 to discuss program priorities for endowment funding prior to
9 submitting their budget requests to the Executive Office of
10 the Governor and the Legislature. The purpose of the meetings
11 shall be to gain consensus for priority requests and
12 recommended endowment funding levels for those priority
13 requests. An agency head may not designate a proxy for these
14 meetings.

15 (e) Funds from the endowment may not be used to
16 supplant existing revenues.

17 (5) ADMINISTRATION OF THE ENDOWMENT.--

18 (a) The board is authorized to invest and reinvest
19 funds of the endowment in those securities listed in s.
20 215.47, in accordance with the fiduciary standards set forth
21 in s. 215.47(9) and consistent with an investment plan
22 developed by the executive director and approved by the board.
23 Costs and fees of the board for investment services shall be
24 deducted from the earnings accruing to the endowment.

25 (b) Funds available from the endowment for
26 distribution by the board shall only be those earnings
27 received on the endowment. Neither the original principal nor
28 the deposits from the tobacco settlement for fiscal years
29 1999-2000 through 2002-2003 shall be available for
30 appropriation or distribution.

31 (c) The board shall establish a separate account for

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1 the funds of the endowment. The board shall design and operate
2 an investment portfolio that maximizes the financial return to
3 the endowment, consistent with the risks inherent in each
4 investment, and that is designed to preserve an appropriate
5 diversification of the portfolio.

6 (d) No later than February 15, 2000, the board shall
7 report on the financial status of the endowment to the
8 Governor, the Speaker of the House of Representatives, the
9 President of the Senate, the chairs of the respective
10 appropriations and appropriate substantive committees of each
11 chamber, and the Revenue Estimating Conference. Thereafter,
12 the board shall make a status report to such persons no later
13 than August 15 and February 15 of each year.

14 (e) Accountability for funds from the endowment that
15 have been appropriated to a state agency and distributed by
16 the board shall reside with the state agency. The board is not
17 responsible for the proper expenditure or accountability of
18 funds from the endowment after distribution to a state agency.

19 (f) The board may collect a fee for service from the
20 endowment no greater than that charged to the Florida
21 Retirement System.

22 (6) AVAILABILITY OF FUNDS.--

23 (a) Funds from the endowment shall not be available
24 for appropriation to a state agency until July 1, 2000.
25 Beginning July 1, 2000, the maximum annual amount of endowment
26 funds that may be appropriated to a state agency from the
27 earnings on the principal shall not exceed the amount of
28 interest earnings from the previous year.

29 (b) Notwithstanding the provisions of s. 216.301 and
30 pursuant to s. 216.351, all unencumbered balances of
31 appropriations as of June 30 or undisbursed balances as of

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1 December 31 shall revert to the endowment's principal.

2 (7) ENDOWMENT PRINCIPAL; APPROPRIATION OF EARNINGS.--

3 (a) The following amounts are appropriated from the
4 Department of Banking and Finance Tobacco Settlement Clearing
5 Trust Fund to the Lawton Chiles Endowment Fund for Health and
6 Human Services:

- 7 1. For fiscal year 1999-2000, \$500,000,000;
- 8 2. For fiscal year 2000-2001, \$150,000,000;
- 9 3. For fiscal year 2001-2002, \$250,000,000; and
- 10 4. For fiscal year 2002-2003, \$100,000,000.

11 (b) The amounts appropriated under paragraph (a),
12 together with any additional funds that are appropriated,
13 constitute the principal of the endowment and are not
14 available for appropriation from the endowment, as specified
15 in paragraph (5)(b). However, any interest or other earnings
16 on such amounts accruing to the endowment from the investment
17 of such moneys shall be available for appropriation by the
18 Legislature.

19 Section 2. This act shall take effect July 1, 1999.

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22 ===== T I T L E A M E N D M E N T =====

23 And the title is amended as follows:

24 Delete everything before the enacting clause

25
26 and insert:

27 A bill to be entitled
28 An act relating to trust funds; creating s.
29 215.5601, F.S.; creating the Lawton Chiles
30 Endowment Fund for Health and Human Services;
31 providing definitions; providing legislative

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1 intent; specifying the purposes and uses of
2 endowment funds; providing for administration
3 of the endowment by the State Board of
4 Administration; providing for the availability
5 of endowment funds; providing appropriations;
6 providing an effective date.
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